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Statement for the Record of Field Hearing on Social Security Numbers and Child Identity Theft

The recent research, legislative, and media attention given to the problem of child identity theft is long overdue¹. The recent attention to this problem has primarily focused on SSN-only identity theft. Many child victims of SSN-only identity theft have a parent or guardian discover the identity theft while they are still a minor. This attention has ignored a population of child identity theft victims who had their identity stolen while a minor, but did not learn of the crime until they were a legal adult. These victims, adult/child identity theft victims², endure a long, frustrating road to recovery as typically by the time the crime is discovered, their identity has been used for a number of years to establish a variety of fraudulent accounts.

Compounding the frustration for adult/child identity theft victims is that they often lack the consumer education and experience necessary to navigate the complex network of institutions and agencies that are supposed to assist them with their recovery, including banks, police departments, credit reporting agencies, health insurance agencies (for medical identity theft), and others. Additionally, often agencies do not work together in supporting an adult/child identity theft victim's recovery leaving the victim confused in how to proceed with regaining their identity. While in the process of recovery, which can take a number of years, adult/child identity theft victims often learn to "do without" as they begin their adult lives. For example, there have been adult/child identity theft victims who were unable to obtain student loans so they

¹ Power, R. (2011). Child identity theft: New evidence indicates identity thieves are targeting children for unused social security numbers. Retrieved September 14, 2011, from <http://www.cylab.cmu.edu/files/pdfs/reports/2011/child-identity-theft.pdf>

² Foley, L., & Nelson, C. (2009). *ITRC fact sheet 120: Identity theft and children*. Retrieved March 22, 2010, from http://www.idtheftcenter.org/artman2/publish/v_fact_sheets/Fact_Sheet_120.shtml

had to postpone their post-secondary education³. Other adult/child identity theft victims have had difficulty establishing utilities in their name. For those who have been fortunate enough to establish credit in their name, many have been required to pay additional deposits and exorbitant interest rates.

Adult/child identity theft victims often face significant financial obstacles; however, the troubling effects of identity theft extend to the victim's personal relationships. Often, friends and relatives are unable to be supportive of the adult/child victim's recovery simply because they lack an understanding of the multiple issues the victim is facing. This lack of support is further amplified if a relative or friend is the perpetrator of the crime, which is often the case in instances of identity theft.

Identity theft can affect the core of a person's emotions, including trust. Development of feelings of trust is central to an individual's healthy emotional development⁴. Adult/child identity theft victims often experience a loss of a sense of trust and this often has a negative impact on a victim's familial, social, and professional relationships. Many victims, especially those who never learn the identity of the perpetrator, don't know who they can trust: After all, anyone they know could have committed the crime.

My preceding comments are enlightened by both a research background in adult/child identity theft and personal experience as an adult/child identity theft victim. My current research examines the experience of recovering from adult/child identity theft. A previous research project explored consumers' perceptions of identity theft⁵. My experience as an adult/child identity theft victim (and subsequent adult victim of identity theft due to a data breach) have informed my research.

My adult/child identity theft experience was unique in that my parents' identities were stolen at the same time mine was stolen, when I was 11 years old. From the time I was 11 years old until the time I discovered I was a victim of identity theft at the age of 19, I watched my parents try and seek help from agencies and organizations including the local police, utility companies, creditors, and the post office along with many others. The assistance provided by these agencies and organizations was minimal at best. Oftentimes my parents were told "Sorry, there's nothing you can do about this."

³ Betz, A.E. (2007, November). *Living with my invisible shadow: The experience of being a child identity theft victim in central Iowa*. Poster session presented at the Iowa State University Extension to Families In-Service. Ames, IA.

⁴ Thomas, R.W. (2005). *Comparing theories of child development* (6th ed.) Belmont, CA: Thomson.

⁵ Betz, A. (2009b). The effects of demographics on consumer perceptions of identity theft in rural and urban settings. *Consumer Interests Annual*, 55, 9-27.

It is difficult to capture all of the problems my parents encountered during these years, so the following paragraphs detail some of the more memorable incidents related to the theft of their identities:

One day my father brought me home from school and there was a yellow door-hanger attached to the front door; it was from the electric company. Our service had been disconnected due to non-payment. My parents had paid our bill, but someone had established electric service in their name and hadn't paid the bill so our electricity had been shut off. I did my homework by flashlight that night.

On a different day, a sheriff's car pulled into our driveway. I happened to be the first person in the house to notice it. After saying something to my parents, my father told my mother and me to hide. He went out to see what the sheriff's department wanted: They wanted to arrest my mother for check deception. Based on the information the sheriff's department had, my mother had been passing bad checks at the local Wal-Mart. It wasn't her; it was the identity thief.

Several semesters after I had left for college, I received notification from the university that the check my mother sent in for that semester's tuition had bounced. I knew this couldn't be true as my parents have the personal financial management skills to avoid bouncing checks. I was very angry over the situation and convinced it was in error, so I went to the appropriate university office and proceeded to tell them that this had to be an error. They were insistent that they were right, so insisted to see a copy of the check that had bounced. They were able to produce a copy of the check. The check looked exactly like my mother's—her contact information, her financial institution information, her check design—but the handwriting on the check was not hers. An identity thief had checks made to look exactly like my mother's, stole my tuition bill out of the mail, and wrote a fraudulent check to the university for my tuition.

My parents' identity theft left my parents weary of who to trust, so they started to be distrustful of friends and family members, to the point where these relationships became nonexistent. A point came where they were distrustful of each other; particularly with financial matters as the identity thieves used their identities primarily for financial gain. The identity theft ultimately put their marriage in jeopardy.

As previously mentioned, I learned I was an adult/child identity theft victim when I was 19 years old. The revelation of my victim status came when I applied for electric service at my first apartment. The electric company was willing to give me service, but they sent me a letter indicating that they needed a \$100 deposit from me due to my credit rating. At the time, I thought it was because I didn't have enough credit established and didn't give it much thought. There was a number at the bottom of the letter they sent to call for a free copy of my credit report, which I did out of curiosity, not out of concern I was an identity theft victim.

Several weeks later, a package arrived in the mail from the credit bureau. Before I opened it, I thought to myself, "They must give you a lot of instructions on how to read these" as I was

expecting something that was, at best, a page long. After opening the package, I was sickened to see that my credit report was 10 pages long and full of fraudulent entries and collection agency entries associated with original fraudulent entries. Whoever had stolen my parents' identity had surely stolen mine as well.

I filed a report with the state police who did not seem optimistic that there was anything they could do to catch whoever had stolen my identity. I started contacting the creditors and collection agencies that were listed on my credit report, armed with the police report, to clear my identity. I was shocked at the lack of support and understanding I received—one customer service representative at a major credit card company told me I was lying about being an identity theft victim to avoid paying the bill!

Over a period of roughly six years, I spent many evenings in tears, thinking I would never have what other people “have”—a decent car, a house—because of the identity theft. I often wondered what I did to deserve this. Who was so angry at me and my parents that they would destroy us in this way?

It was a struggle to establish myself financially as an adult. The first credit card I obtained came with an interest rate of 29%. The financing for the first car I purchased included an interest rate of 18%.⁶ The majority of young adults who enter the credit market usually enter successfully with the help of a co-signer. This was not an option for me because my parents' credit was worse than mine due to their own identity theft situation.

It's been nearly 20 years since identity theft began to shape my development and, ultimately, my career path as a college professor. After nearly 20 years, I still refer to myself as a victim as I still receive collection calls and letters over fraudulent accounts that were taken out in my name years ago. I've received court summons over accounts in default that the identity thief established in my name. I ultimately still consider myself a victim because whoever did this to me and my parents is still out there; they still have my personal information and could re-victimize me at any time.

Given my research background and experiences as a victim of adult/child identity theft, legislative support needs to be provided for the following:

- (1) Increased collaboration between institutions and agencies that are in a position to support adult/child identity theft victims' recovery. These institutions include, but are not limited to, financial institutions, law enforcement agencies, insurance companies, and credit reporting agencies.
- (2) Increased development of effective, targeted consumer education programs focused on adult/child identity theft. Developed programs should target parents and guardians,

⁶ Romero, R. (2011, August 31). Children are the latest targets of identity-theft crooks. Retrieved September 14, 2011, from <http://abclocal.go.com/kabc/story?section=news/consumer&id=8337313>

secondary education, higher education, and agency and organization personnel that maybe in a position to assist adult/child victims.

- (3) Increased financial support for the development of victims' services programs for adult/child identity theft victims.